

CANADIAN STOCK EXCHANGE

Date Listed: July 26, 1961

Ticker Symbol: "FRE"

FORT RELIANCE MINERALS LIMITED

Application is made by the undersigned Company for the listing of 3,000,000 shares of its Capital Stock

1. Under what laws incorporated: Ontario.
2. Date of incorporation: April 9, 1956.
3. Dates of Supplementary Letters Patent: September 18, 1958.
4. Address of the Company's Head Office and of any other offices:
3100 - 25 King Street West, Toronto 1, Canada.
Hobson Road, R. R. 4 Kelowna, B.C.
5. Officers and Directors of the Company:

NAME	OFFICE HELD	ADDRESS	OCCUPATION
J. A. HARQUAIL.....	<i>Director and President</i>	80 Chaplin Cresc., Toronto, Ont.....	Consulting Mining Engineer
C. W. STREIT.....	<i>Director and Vice-President.....</i>	450 Walmer Road, Toronto, Ont.....	Executive, Partner J. Bradley Streit & Co., Members Canadian Toronto Stock Exchanges
J. H. MORLOCK.....	<i>Director</i>	1 Douglas Cresc., Toronto, Ont.....	Barrister, Partner Lash, Lash & Pringle, Barristers & Solicitors, Toronto
D. R. WATT.....	<i>Director</i>	50 Glenrose Ave., Toronto, Ont.....	Executive, President G. W. Nicholson & Co. Ltd. Member Toronto Stock Exchange
S. WISEBROT.....	<i>Director, Secretary and Treasurer.....</i>	49 Oakwood Ave., Toronto, Ont.....	Corporate Secretary

AUG 28 1961

6. Amount of authorized capital: \$3,000,000.
7. Number of shares and par value: 3,000,000 no par value.
8. Full details of all shares issued in payment for properties or for any other assets other than cash:
10,000 shares to M & O Coal Co., Cleveland, Ohio, to acquire their interest in mining claims staked jointly by Company and M & O. Valued at 20¢ per share.
38,391 shares to Westfield Minerals Limited for a 75% interest in the Nahanni (1959) Syndicate. Valued at 15¢ per share.
9. Total number of shares issued for cash: 1,125,505.
10. Number of shares issued: 1,173,896.
11. Number of shares now in treasury or otherwise unissued: 1,826,104.

CANADIAN STOCK EXCHANGE

12. Date of last annual meeting.	June 22, 1961.																												
13. Date of last report to Shareholders.	June 5, 1961.																												
14. Full details of all shares sold for cash by the Company previous to this application, giving dates, number of shares, price per share and total amount realized on each individual issue.	<table border="1" data-bbox="479 416 1288 680"> <thead> <tr> <th>Date</th> <th>No. of shares</th> <th>Price</th> <th>Amount Realized</th> </tr> </thead> <tbody> <tr> <td>Apr. 11/56.....</td> <td>5</td> <td>\$1.00</td> <td>\$ 5</td> </tr> <tr> <td>Apr. 11/56.....</td> <td>600,000</td> <td>.20</td> <td>120,000</td> </tr> <tr> <td>Sept. 17/58.....</td> <td>200,000</td> <td>.40</td> <td>80,000</td> </tr> <tr> <td>Nov. 5/58 to</td> <td></td> <td></td> <td></td> </tr> <tr> <td>June 29/59.....</td> <td>325,500</td> <td>.20</td> <td>65,100</td> </tr> <tr> <td></td> <td>1,125,505</td> <td></td> <td>\$265,105</td> </tr> </tbody> </table>	Date	No. of shares	Price	Amount Realized	Apr. 11/56.....	5	\$1.00	\$ 5	Apr. 11/56.....	600,000	.20	120,000	Sept. 17/58.....	200,000	.40	80,000	Nov. 5/58 to				June 29/59.....	325,500	.20	65,100		1,125,505		\$265,105
Date	No. of shares	Price	Amount Realized																										
Apr. 11/56.....	5	\$1.00	\$ 5																										
Apr. 11/56.....	600,000	.20	120,000																										
Sept. 17/58.....	200,000	.40	80,000																										
Nov. 5/58 to																													
June 29/59.....	325,500	.20	65,100																										
	1,125,505		\$265,105																										
15. Particulars of any issued shares held in trust for the company or donated for treasury purposes. <i>(See B.C. S.A.)</i>	None.																												
16. Details of any treasury shares or shares issued subject to payment now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	<p>Option for 150,000 shares at 20¢ per share to Employee of Company (A. D. Wilmot).</p> <p>Option for 150,000 shares at 20¢ per share to Director of Company (J. A. Harquail).</p> <p>These options expire June 30, 1963.</p>																												
17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.	None.																												
18. Details of any registration with, or approval or authority for sale granted by a securities commission or corresponding Government body.	In 1956 and 1958 the Company qualified in Ontario shares in its capital for sale to the public. Copies of the relevant prospectuses respectively dated May 25, 1956 and September 30, 1958 are filed with this application.																												
19. Has any application for registration with, or approval or authority for sale by a securities commission or corresponding Government body ever been refused, cancelled or revoked? If so, give particulars.	No.																												

CANADIAN STOCK EXCHANGE

20. Particulars of any bonds, notes, mortgages, charges, liens, or hypothecations outstanding.	None.	
21. Names and addresses of all Transfer Agents.	CROWN TRUST COMPANY, 302 Bay Street, Toronto, Ontario.	
22. Particulars of any fee charged upon transfers other than customary Government taxes.	Fee of 50¢ charged for each new certificate.	
23. Names and addresses of all Registrars.	CROWN TRUST COMPANY, 302 Bay Street, Toronto, Ontario.	
24. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.	No.	
(a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held.	<p>(a) (1) Snow Group-16 claims (approx. 640 acres) in northern British Columbia. Fort Reliance has a 100% interest in this group and is the registered owner.</p> <p>(2) Toad River Group-12 claims (approx. 480 acres) in northeast British Columbia. Fort Reliance has a 100% interest in these claims and is the registered owner.</p> <p>(3) Fore Group-24 claims (approx. 960 acres) in central British Columbia. Fort Reliance is the registered owner of a 100% interest in these claims. Under an existing agreement two prospectors have a 10% vendor's interest and Fort Reliance has an option to purchase one half of this interest under certain conditions.</p> <p>(b) (4) Windpass Group-12 claims (398.12 acres). Nine of these are held under lease from the Province of British Columbia until Feb. 23, 1981. Three others are held under lease to May 8, 1982.</p> <p>(c) (5) Star Group-12 claims (approx. 480 acres). Fort Reliance has the option to purchase, before Nov. 30, 1962, a 90% interest in these claims for \$10,000 of which \$2,000 has been paid. Company may purchase the remaining interest under certain conditions.</p> <p>(6) Fort Reliance is holding (in trust) title to 64 claims (approx. 3,200 acres) in the Northwest Territories for the Nahanni Sixty Syndicate. The Company has a 26.56 interest in this Syndicate.</p> <p>(For further details see Insert No. 25).</p>	

CANADIAN STOCK EXCHANGE

26. Full particulars of any royalties or other charges payable upon production for each individual property.	None.	None.
27. Describe plant and equipment on property.	None.	None.
28. Describe development accomplished and planned. (To be filed with application:- 1. Geological Surface Map. 2. All Assay Reports. 3. Map showing location of all Drill Holes.)	Please refer to the following:- Report by J. A. Harquail, P. Eng. See Insert No. 28A Two reports by A. D. Wilmot, P. Eng. See Insert No. 28B. Report by G. T. Warren, Mining Engineer. See Insert No. 28C.	None.
29. Date and author of mining engineer's or petroleum geologist's report filed with this application and available for inspection on request.	As in 28.	None.
30. Full particulars of production to date.	None.	None.
31. Have any dividends been paid? If so, give dates and amounts.	No.	None.
32. Has the listing of any shares of the Company ever been refused or deferred on any Stock Exchange? If so, give particulars.	No.	None.
33. Are any shares of the Company listed on any other Stock Exchange?	No.	None.

PROPERTY HOLDINGS OF
FORT RELIANCE MINERALS LIMITED

as of June 22, 1961

British Columbia Miner's License 19293G

Snow Group of 16 claims, located in the Nicola Mining District. These claims are registered in the name of FORT RELIANCE MINERALS LIMITED and are 100% owned by the Company.

Snow 1-10	Nos. 8107-16	10 claims
Snow 11-12	Nos. 8211-12	2 "
Snow 13-16	Nos. 8273-76	4 "

Toad River Group of 12 claims, located in the Liard Mining District. These claims are registered in the name of FORT RELIANCE MINERALS LIMITED and are 100% owned by the Company.

Toad River 13-15	Nos. 6944-46	3 claims
Toad River 17	No. 6932	1 "
Toad River 19-22	Nos. 6934-37	4 "
Toad River 25	No. 7355	1 "
Toad River 26-27	Nos. 7210-11	2 "
Billy Fraction	No. 8117	1 "

Fore Group of 24 claims, located in the Omineca Mining District. These claims are registered in the name of FORT RELIANCE MINERALS LIMITED. They are owned 90% by the Company and the remaining 10% is covered by a prospectors agreement between G. T. Warren, W. J. MacKenzie and FORT RELIANCE MINERALS LIMITED.

Fore 1-24	Nos. 13365-88	24 claims
-----------	---------------	-----------

Star Group of 12 claims, located in the Liard Mining Division. These claims are registered in the name of FORT RELIANCE MINERALS LIMITED. They are subject to an option agreement between R. Kirwan, W. Longhurst and FORT RELIANCE MINERALS LIMITED. (See 1960 Notes to Balance Sheet for details).

Star 1-8	Nos. 8433-40	8 claims
Star 9-12	Nos. 8584-87	4 "

Windpass Group of 12 leases, located in the Kamloops Mining Division. These leases are registered in the name of FORT RELIANCE MINERALS LIMITED and are owned 100% by the Company. The following nine contiguous claims are under 21 year lease to FORT RELIANCE MINERALS LIMITED from the British Columbia government to February 23, 1981. All work and fees have been paid on the claims to February 23, 1962.

Elise Mining Claim	3972	42.58 acres
Gott Mining Claim	3842	26.44 "
Jupiter Mining Claim	3971	33.93 "
Maple Leaf Mining Claim	3976	36.81 "
Premier Mining Claim	3973	34.23 "
Sweet Home Mining Claim	3844	39.03 "
Windpass #1 Mining Claim	3839	42.22 "
Windpass #2 Mining Claim	3840	35.09 "
Windpass #3 Mining Claim	3841	26.10 "

Total: 316.43 acres

FORT RELIANCE MINERALS LIMITED was granted 21 year leases on the following three contiguous claims during May, 1961. The lease expires May 8, 1982.

Brenda Mining Claim	3977	22.18 acres
Signe Mining Claim	3978	33.28 "
Belfast Mining Claim	3980	26.23 "

Total: 81.69 acres

Fort Reliance has applied during May, 1961, for a lease on the following two adjoining claims.

North Dunn Mining Claim	3843	30 acres (more or less)
Donegal Mining Claim	3979	30 acres (more or less)

NAHANNI SIXTY SYNDICATE

Northwest Territories License No. 416

The following 64 claims in four groups are registered in the name of FORT RELIANCE MINERALS LIMITED in trust for the Nahanni Sixty Syndicate. Fort Reliance Minerals Limited has a 26% interest in all cash assets and properties of the Nahanni Sixty Syndicate:

All claims are located in the MacKenzie Mining Division.

Stan & Geo 1-12	Nos. 26817-28	12 claims
Stan & Geo 13-18	Nos. 26691-96	6 "
Ron & John 1-9	Nos. 26645-53	9 "
Ron & John 10-18	Nos. 26660-68	9 "
Ted 1-9	Nos. 26871-79	9 "
Goat 1-4	Nos. 26858-61	4 "
TL 1-9	Nos. 113931-39	9 "
TL 10-15	Nos. 114111-16	6 "

A REPORT ON THE PROPERTIES OF

FORT RELIANCE MINERALS LIMITED

by J. A. Harquail, P. Eng., Consulting Mining Engineer

SCOPE OF REPORT

Since none of the properties of FORT RELIANCE MINERALS LIMITED have proven ore reserves they can be classed as mineral prospects on which some preliminary exploration work has been done. While the writer has visited many of the properties it is not his intention to attempt a detailed evaluation of any one property. Individual engineer's reports will be presented for some properties while engineer's reports on others will be reviewed.

PROPERTIES, TITLE AND LOCATION

Included with this report is a detailed list, with registration numbers, of all properties owned by FORT RELIANCE MINERALS LIMITED. This list has been certified correct by the Company secretary who is in charge of all property records.

The claim groups owned outright by the Company are:

1. **Haskins Mountain Prospect** — a total of 16 claims in two groups, located about 20 miles north-east of the Cassiar Asbestos Mine in northern British Columbia.
2. **Toad River Prospect** — a total of 12 claims in two groups located about 18 miles south of Mile 440 (Alaska Highway) in north-east British Columbia.
3. **Windpass Prospect** — a total of 12 contiguous claims totalling 398.12 acres located in south-east British Columbia. The Company has applied for two adjoining claims, totalling about 60 acres, and this application is now pending.

A controlling interest in the following two groups is held by the Company:

4. **Omineca Prospect** — a total of 24 contiguous mineral claims located about 170 miles north-west of Prince George, British Columbia. The Company has a 90% interest in this group with an option on one-half of the remaining 10% interest.
5. **Lamb Mountain Prospect** — a total of 12 contiguous claims located about 9 miles north of the Cassiar Asbestos mine in northern British Columbia. The company has an option to purchase a 90% interest in this group, with a further option to purchase the remaining minority interest.

HASKINS MOUNTAIN PROSPECT

The mineralization on this property consists of replacement sulphides at or near the contact of gray limestone and cherty quartzite. The age of the rocks is late Palaeozoic or early Mesozoic. Pyrrhotite is by far the most common sulphide and sphalerite is probably next in abundance followed by galena. The mineralization is fine grained and surface exposures are highly oxidized.

The showings were mapped and sampled in 1949 by Dr. D. R. Derry who was then Chief Geologist of Ventures Limited. A copy of Dr. Derry's geological and sampling plan accompanies this report. One zone sampled by Dr. Derry over a length of 470 feet, and a vertical range of 390 feet, gave average values of 4.14 ozs. silver, 5.86% lead and 9.55% zinc. He reports that the only place where the width of the zone could be satisfactorily measured gave a width of 25 feet although this may not represent the average width.

The zone sampled by Dr. Derry is now covered by claims Snow 13-16 inclusive. In 1960 the necessary assessment work was completed on these claims by the Company. A Japanese group has studied all technical data and have received permission to have their engineer examine the property during July 1961.

TOAD RIVER PROSPECT

During 1958 and 1959, Fort Reliance completed a program of surface diamond drilling on two claims in this area, namely Toad 2 and Beaver Lake 2. These claims, along with 9 others, were held under option by the Company. In view of the drilling results it was decided the options should be terminated.

A total of 12 claims, staked by the Company, remain in this area and sufficient work has been done on them to keep them in good standing for a number of years. A plan showing the Company holdings as well as sampling results by A. D. Wilmot, P. Eng., is presented with this report. No work is planned on this prospect until there is either a reduction in transportation costs in the area or an increase in the price of copper.

WINDPASS PROSPECT

An engineer's report covering this prospect is presented with this review. The report has been prepared by Mr. A. D. Wilmot, Registered Professional Engineer, Province of British Columbia. Mr. Wilmot graduated from Queen's University in Mining Engineering (1936).

A program of surface trenching is planned for this prospect in October, 1961. If results are of sufficient interest then this will be followed by diamond drilling.

OMINECA PROSPECT

A report on this prospect by Mr. G. T. Warren, Mining Engineer, accompanies this review. Mr. Warren received his degree in Mining Engineering from Queen's University in 1938.

The next work on this prospect will be undertaken in September, 1961. At that time, a magnetometer survey and additional geochemical sampling is planned.

Insert No. 28A (continued)

LAMB MOUNTAIN PROSPECT

A report covering this prospect by A. D. Wilmot, P. Eng., accompanies this review.

A consulting engineer has been retained by the Company to supervise a development program on this prospect. It is expected that this program will commence early in July 1961. Details of the option agreement on this property are outlined in the note to the Balance Sheet of the 1960 Fort Reliance Annual Report.

NAHANNI SIXTY SYNDICATE

FORT RELIANCE MINERALS LIMITED has a 26.56% interest in all properties and other assets of this Syndicate. Detailed reports on Syndicate properties by the writer (December 30, 1960) and by A. D. Wilmot (December 15, 1960) accompany this report.

A map is presented with this report showing the location of the 4 prospects (64 claims) owned by the Syndicate. The area, now being prospected in the Northwest Territories by a 17 man group, is also shown.

*To complete the review the list of Syndicate members, a Syndicate balance sheet to May 31, 1961, and the most recent Syndicate progress report, accompanies this general report.

Respectfully submitted,

Toronto, Ontario,

June 21, 1961.

J. A. HARQUAIL, P. Eng.

ENGINEERING REPORTS ACCOMPANYING THIS REVIEW

A Geological and Magnetometer Report on the Windpass Lease.

A. D. WILMOT, P. Eng.

A Geological and Geochemical Survey on the Omineca Prospect.

G. T. WARREN, Mining Engineer

Larsen Creek (Lamb Mountain) Prospect — Examination Report.

A. D. WILMOT, P. Eng.

*MAPS ACCOMPANYING THIS REVIEW

Map No. 1 — Plan of Snow Claim Group by A. D. WILMOT, P. Eng.

Haskins Mountain Prospect.

Map No. 2 — Geological Map and Sampling Plan by Dr. D. R. DERRY,

Haskins Mountain Prospect.

Map No. 3 — General Location and Geological Map,

Toad River Prospect.

Map No. 4 — Plan of Toad River Prospect by A. D. WILMOT, P. Eng.

Map No. 5 — Nahanni Sixty Syndicate Plan by J. A. HARQUAIL, P. Eng.

* On file with the Canadian Stock Exchange.

CERTIFICATE

I, James Aloysius Harquail, of the City of Toronto, in the Province of Ontario, do hereby certify as follows:

1. That I am a Consulting Mining Engineer registered as a member in good standing of the Association of Professional Engineers of the Province of Ontario.

2. That I received a Bachelors degree (Arts and Science) from St. Francis Xavier University, Antigonish, Nova Scotia.

3. That I received a Bachelors degree in Mining Engineering and Metallurgy from the University of Alberta, Edmonton, Alberta, in May, 1947.

4. That the following is a resume of my professional experience:

1945-1947—Frobisher Limited — Employed for eight months on geological mapping programs in the Northwest Territories.

1947-1950—Giant Gold Mines Limited — Employed for three years as mine geologist at the Giant gold mine at Yellowknife, Northwest Territories.

1950-1956—Ventures Limited — Employed for six years by Ventures throughout Canada and the United States as an exploration engineer.

1956-1959—Panamerican Ventures Limited — Served as managing director of this company which financed mineral exploration and development programs on a world-wide basis.

1959 to present—Consulting Mining Engineer.

5. That I am the beneficial owner of 48,625 shares of FORT RELIANCE MINERALS LIMITED and that I have been granted an option by FORT RELIANCE MINERALS LIMITED to purchase 150,000 common shares of treasury stock at a price of 20 cents per share. This option will expire on June 30, 1963.

6. That I am at present serving as President and Consulting Engineer of FORT RELIANCE MINERALS LIMITED.

J. A. HARQUAIL,

Toronto, Ontario,

June 30, 1961.

P. Eng.

LARSEN CREEK MOLYBDENUM PROSPECT

I. INTRODUCTION.

The property was first brought to my attention by Mr. R. Kirwan of Cassiar, B.C., on the 19th of September, 1960. This report covers my examination of the property, when I visited it on September the 22nd, 1960, with Mr. Longhurst, one of the vendors.

II. PROPERTY AND LOCATION.

The property consists of Mineral Claims Star (1-12), Record numbers Star (1-8)-8433-40 incl., Star (9-12)-8584-87 incl., located on Lamb Mountain, 7 miles Northwest of the Cassiar Asbestos Mine. It is easily accessible by trail from the north end of the Cassiar Mine road, and may be reached with horses in a little over two hours. If it should be required, an access road for moving drill equipment to the property could be constructed in a matter of a week or ten days and at a nominal cost, as no rock work or bridging would be entailed.

III. MINERALIZATION.

The only mineralization which was seen in place occurs on Mineral Claim Star #1, in a trench on the west side of Lamb Mountain, some 400 feet above the elevation of Larsen Creek. The mineralization consists of disseminated molybdenite in a highly decomposed calcareous host rock, which is exposed in the trench over a width of 4.0 feet. A chip sample of this material returned approximately 1.5% MoS₂ by spectrographic analysis. The full width of the mineralized zone is not exposed in the trench, which at the ends has not penetrated the mantle of frost-heaved rubble that covers the surface.

High grade pieces of molybdenum float are plentiful in the vicinity of the outcrop and down slope to the valley of Larsen Creek. Some of this float, observed on level ground on the southeast side of Larsen Creek, has a marked North-south alignment, and may have been displaced upwards by frost action.

The deposit is contact metamorphic and lies along an irregular contact between granite and limestone.

IV. CONCLUSION AND RECOMMENDATIONS.

Although only one small mineralized outcrop was observed I was sufficiently impressed by the quantity and high-grade character of the float, the location and ease of access to the property, and the reasonable terms offered by the vendors, to recommend that an option be taken on the property.

As my examination was conducted in something less than two hours, I would recommend that a competent geologist be engaged to examine and map the property and that his recommendation for work, which I think might include some stripping in low ground with a bulldozer, be followed.

A. D. WILMOT,

P. Eng.

January 28, 1961.
Kelowna, B. C.

GEOLOGICAL REPORT ON WINDPASS LEASE (CHU CHUA, B.C.) KAMLOOPS MINING DIVISION

I. INTRODUCTION.

The following report covers the work carried out by FORT RELIANCE MINERALS LIMITED on the Windpass Lease between October 2nd and October 27th, 1960. The report has been prepared to fulfill the requirements of the Mineral Act governing the acceptance of geological and geophysical surveys for assessment work on this property.

The following personnel were employed on the project:

A. D. Wilmot, P. Eng.

W. J. MacKenzie, P. Eng.

W. J. Christian, prospector.

D. K. Bragg, prospector.

II. CONCLUSIONS AND RECOMMENDATIONS.

Gold deposits on the Windpass are of two types: quartz veins, such as the Sweet Home, which are very sparsely mineralized, and which are not magnetically anomalous, and highly magnetic replacement lenses containing abundant magnetite, that occur in the eastern part of the Windpass deposit.

The recent work was conducted in an effort to locate further ore bodies, of the second type, which could occur under the light mantle of overburden, which covers about 85% of the lease area.

High magnetic anomalies were obtained over the projected outcrop of the Windpass deposit and at points north of the outcrop for several hundred feet, which are thought to indicate down dip magnetic lenses. Anomalies which are comparable, though of slightly lower intensity, occur in the north east corner of the Jupiter Mineral Claim. The position of these anomalies in relation to the Sweet Home vein is notably similar to that on the Windpass, and may indicate the presence of magnetic ore, lying on the eastern extension of the Sweet Home vein. As the overburden is not considered to be heavy, further prospecting with some stripping in this area is recommended.

In conclusion it may be stated that the results of the recent survey, while indicating a possible ore body mentioned above, are not indicative of the overall potential of the property, which includes two other possible sources of ore: namely undetected quartz veins similar to the Sweet Home deposit, and ore in the Sweet Home and Windpass structures below the present workings.

III. PROPERTY.

The Windpass Lease consists of the following nine reverted Crown Grants: Elise, Gott, Jupiter, Maple Leaf, Premier, Sweet Home and Windpass #1, 2 and 3, which cover an area of 316.4 acres. The Lease was acquired by FORT RELIANCE MINERALS LIMITED on February 23rd, 1960, and subject to the provisions of the Mineral Act, is in effect for a period of 21 years.

IV. LOCATION AND ACCESS.

The property is located 6 miles east of Little Fort, which is on the North Thompson Highway, 60 miles north of Kamloops, B.C.

Dunn Lake, located 2 miles west of the property, may be reached by road from Little Fort, or by turning off the main highway at Barriere and driving north through Chu Chua. Dunn Lake, at an elevation of 1,600 feet, is connected to the mine, at an elevation of 5,500 feet, by 8.5 miles of road, which is passable for four-wheel drive vehicles from the first of June to the end of October. Accommodation is available at Little Fort, and during the summer months, at resort camps on Dunn Lake.

V. HISTORY.

The property was staked in 1916 and brought into production by Trites, Woods and Wilson in 1933. When the operation was suspended in 1939, the recorded production amounted to 34,246 ounces of gold and 1,568 ounces of silver, from 84,000 tons of ore mined. All equipment from the mine and mill has been removed, and the mine buildings are now in disrepair, with the exception of one which is in good condition, and which was used to accommodate the crew during the recent geophysical survey of the property.

Some production was obtained from the Sweet Home vein, situated half a mile south of the Windpass deposit. This quartz vein which strikes westward and dips to the north, is sparsely mineralized with pyrite, pyrrhotite, chalcopyrite, bismuth and free gold. Upon passing from the sill to the chert on the hanging-wall, the vein becomes narrower and lower in grade.

VI. GEOLOGY AND MINERALIZATION.

The Windpass ore occurs in a quartz-diorite which forms the upper part of a sill, which on the hanging-wall is in contact with thinly bedded chert, dipping steeply to the west. Pyroxenite, which forms the lower part of the sill, is intruded by granite and granodiorite off shoots from a large body of these rocks lying to the east. The western contact of the granite, where exposed, dips westward at 35 to 50 degrees. The quartz-diorite-pyroxenite sill has been mapped as a northerly-trending belt more than 4 miles long, and 1 to 1½ miles wide.

Mineralization at the Windpass occurs in a northerly dipping shear-zone which cuts quartz-diorite. Near the surface the western part of the deposit is a quartz-fissure filling, and the eastern part is a series of replacement lenses containing abundant magnetite. At the western end, where the vein passes into thinly bedded chert on the hanging-wall of the sill, it splits into narrow, low-grade stringers. The deposit contains magnetite, chalcopyrite, pyrite, pyrrhotite, native gold and bismuth. Some of the massive magnetite contains high values in gold, and in many cases bismuth minerals indicate high grade ore.

A. D. WILMOT,

P. Eng.

Kelowna, B. C.

December 29, 1960.

MAGNETOMETER SURVEY

I. GENERAL.

Between October 21st, and October 28th, 1960, a magnetometer survey was conducted on the nine claims covered by the Windpass lease, by the writer and his assistant Mr. W. J. MacKenzie. On a previously prepared grid, consisting of NS picket lines 200 feet apart, readings were taken with a "Radar" magnetometer, at 100 foot intervals — except in the vicinity of anomalies where the interval was reduced to 50 feet.

The instrument has a range of 37,000 gammas and measures the vertical component of the earth's magnetic field. Magnetic ties were made every hour, thus ensuring a station value accuracy of plus or minus 10 gammas.

II. RESULTS.

High magnetic anomalies were obtained over the projected outcrop of the Windpass vein and at points lying to the north of this for several hundred feet, probably indicating the structure down dip.

The Sweet Home deposit, which is a quartz fissure vein, is not magnetically anomalous along the known outcrop. However, an area of high magnetic intensity is located on the eastern projection of the outcrop, which may indicate the presence of magnetic ore similar to that occurring in the eastern portion of the Windpass deposit. This anomaly is located near the NE corner of the Jupiter Mineral Claim. A second anomalous area is located some 1,200 feet to the south and straddles the boundary between the Jupiter and Sweet Home Mineral Claims. It is not associated with any known mineral occurrence.

As the overburden in the vicinity of these anomalies does not appear to be heavy, some further prospecting and stripping is recommended.

A. D. WILMOT,

P. Eng.

Kelowna, B. C.

December 29, 1960.

CERTIFICATE

I, Ashley Douglas Wilmot, Mining Engineer, of the Town of Kelowna, in the Province of British Columbia, do hereby certify

1. That I am a Mining Engineer resident in the Province of British Columbia and a member in good standing of the Association of Professional Engineers of British Columbia (Mining Division).

2. That I received my Bachelors degree in Mining Engineering from Queen's University, Kingston, Ontario, in 1936.

3. That since May, 1956, I have been employed continuously by FORT RELIANCE MINERALS LIMITED as Exploration Manager.

4. That I am the beneficial owner of 5,000 shares of FORT RELIANCE MINERALS LIMITED and that I have been granted an option by FORT RELIANCE MINERALS LIMITED to purchase 150,000 common shares of treasury stock at a price of 20¢ per share. This option will expire on June 30, 1963, or before this date if I should cease to be employed by FORT RELIANCE MINERALS LIMITED.

A. D. WILMOT, P. Eng.

Watson Lake, Yukon Territory,
July 15, 1961.

Insert No. 28C

GEOLOGICAL REPORT ON "FORE" MINERAL CLAIMS OMINECA MINING DIVISION

INTRODUCTION

The following report covers a geological survey of the Fore (1-24) mineral claims, conducted by the writer and assisted by Mr. W. J. MacKenzie, between the 20th of September and the 3rd of October, 1960. The report is submitted on behalf of FORT RELIANCE MINERALS LIMITED to fulfill the requirements of the Mineral Act governing the acceptance of geological surveys for assessment work on this property.

CONCLUSIONS AND RECOMMENDATIONS

The geology and mineralization of the copper showings on the Fore claims are similar to the Duckling Creek deposits, located four miles to the east, where several million tons of material grading 1% copper and a few cents per ton in gold, have been indicated in exploration work conducted by Kennco.

The indicated grade of the mineralized zone on the Fore Group is 1.8% copper, 0.40 ozs. silver and 0.02 ozs. of gold per ton over a sampled width of 15 feet. As the outcrop is partly obscured by talus its size is not known, but the deposit is probably in the form of a lens some 15 to 20 feet in width and perhaps twice that in length. While this is too small to be of economic interest, the extension of this or other mineralized zones is indicated by soil samples taken to the south and beyond the rim of the cirque, wherein the exposed mineralization is located.

Marked magnetic deviation was noted while running compass lines over a drift covered area in the southwest portion of the property. The presence of magnetite is a characteristic of the syenodiorite, which is the host rock of the Duckling Creek copper deposit, and may indicate the presence of a similar rock type underlying this part of the Fore claims. In conclusion it is felt that further prospecting of this property by magnetic and geochemical surveys may well be rewarding.

PROPERTY

The property consists of the Fore (1-24) mineral claims; record numbers 13365 to 13388 inclusive. The recorded owner is FORT RELIANCE MINERALS LIMITED of Toronto, Canada.

LOCATION AND ACCESS

The property is located in the Omineca Mining Division, some 12 miles north of Old Hogem on the Omineca River, Lat. 56-50 North, Long. 125-40 West. Forty miles of dirt road connects Old Hogem with Germansen Landing, which is 125 miles north by road from Fort St. James. Normally these roads are passable only from mid-June to mid-October. Access for this examination was obtained by charter plane from Prince George to Germansen Landing, and thence by helicopter to the property. The Fore claims are located above the timber line at an elevation between 5,000 and 6,200 feet above sea level. Snowfall in the area is relatively heavy and at this elevation prospecting is seldom possible before mid-June or after the first of October.

GEOLOGY AND MINERALIZATION

The Fore group is underlain by intrusive rocks of the Hogem batholith, which range in composition from pyroxenite to granite, with granodiorite predominating. The batholith in outcrop, which has an area of some 1,200 square miles, has an elongated NW-SE length of 90 miles and a width, in the vicinity of the Fore claims of about 12 miles. It intrudes sedimentary and volcanic rocks that range up to Jurassic in age. Rock exposures on the Fore claims are fresh pink to grey granite and granodiorite. They range from medium grained equigranular rocks to coarse grained porphyritic types with pink feldspar phenocrysts, generally orthoclase. Minor shearing and gneissic structure is in a N.W. direction and parallel to the Pinchi Fault which is six miles distant to the S.W. This fault is a major structural fracture in the area and has been traced along the S.W. contact of the Omineca batholith for a distance of some 150 miles.

Mineralization, consisting of chalcocite, bornite, chalcopyrite, malachite, azurite, pyrite and magnetite occurs in quartz stringers and as fine disseminations in the granite host rock, on the Fore No. 10 mineral claim. The showing is located at the base of a vertical cliff and the outcrop on the downhill side is obscured by talus. Copper stain is visible on the cliff face for some 20 to 30 feet above the talus slope. Due to the limited exposure, the shape and attitude of the deposit could not be definitely determined, but it is thought to be a N.W. — S.E. striking lens, some 15 to 20 feet in width and perhaps twice that in length. At the base of the cliff, where the samples were taken, the mineralization extends over a width of 15 feet, with the central 10 feet being the most heavily mineralized. An extension of this mineralized zone to the S.E. is indicated by soil samples that were taken at 100 foot intervals over a drift covered area near the south boundary of mineral claims Fore 10 and 19. The samples were tested by a Rubeanic field kit and copper anomalies were obtained in 10 of the 16 samples taken.

Insert No. 28C (continued)

ECONOMIC OUTLOOK

The mineralization on the Fore group is of economic interest mainly because of its similarity and proximity to the Duckling Creek deposit, located four miles to the east. Exploitation of this extensive copper deposit by Kennco has been delayed by lack of suitable transportation in the area. However, should the Pacific Northern Railway be constructed as planned, then further development of this and other mineral deposits throughout the district could be expected.

G. T. WARREN,
Mining Engineer

January 16, 1961.
Kelowna, B.C.

STATUS OF CLAIMS — MAY 1961

One year's assessment work has been recorded and accepted by the Mining Recorder of the Omineca Mining Division on claims Fore 5, 6, 7, 8, 9, 10, 12, 15, 17 and 19 and these claims are now in good standing until October, 1962.

Unless work is done on Fore 1, 2, 3, 4, 11, 13, 14, 16, 18, 20, 21, 22, 23 and 24 during the next four months, these claims will lapse in October, 1961.

CERTIFICATE

I, George T. Warren, Mining Engineer, of the Town of Kelowna, in the Province of British Columbia, do hereby certify

1. That I am a Mining Engineer resident in the Province of British Columbia.
2. That I received a Bachelors degree in Mining Engineering from Queen's University, Kingston, Ontario, in 1938.
3. That for the period from 1955 to 1960 I was general superintendent of Yauricocha Mine in Peru for Cerro De Pasco Mining Corporation.
4. That under an agreement dated May 4, 1960, between myself and FORT RELIANCE MINERALS LIMITED, I hold a 5 percent vendor's interest in the 24 claims comprising the Fore Group. FORT RELIANCE MINERALS LIMITED holds an option to purchase one-half of my vendor's interest.
5. That I am presently employed as an Exploration Engineer in the Northwest Territories for the Nahanni Sixty Syndicate.
6. That I don't own any shares of FORT RELIANCE MINERALS LIMITED at this time nor do I hold options on any shares of this company's stock.

G. T. WARREN, B.Sc.

Watson Lake, Yukon Territory,
July 16, 1961.

FORT RELIANCE MINERALS LIMITED

BALANCE SHEET AS AT MAY 31, 1961

ASSETS

CURRENT ASSETS:

Cash.....	\$ 7,377
Account receivable from Nahanni Sixty Syndicate.....	2,334
Short term securities, at cost plus accrued interest.....	<u>72,936</u>
	\$ 82,647
INVESTMENT IN NAHANNI SIXTY SYNDICATE.....	54,680
MINING CLAIMS HELD UNDER PROSPECTOR'S LICENCES:	
Staked by the company, at nominal value (Note 3).....	\$ 1
Payments made under option agreements to purchase claims (Note 2).....	<u>2,000</u>
	2,001
DEFERRED EXPENSES:	
Prospecting and exploration, per statement attached.....	\$ 85,916
Administrative, per statement attached.....	19,741
Organization expense.....	<u>3,393</u>
	\$109,050
Less — Interest earned since incorporation on April 9, 1956 (\$1,349 earned in 1961).....	<u>17,970</u>
	91,080
	<u><u>\$230,408</u></u>

LIABILITIES

ACCRUED LIABILITIES	\$ 1,000
CAPITAL:	
Capital stock—	
Authorized — 3,000,000 shares without par value.	
Issued and fully paid — 1,173,896 shares.....	\$272,864
Deduct — Prospecting and exploration expenses and option payments attributable to claims which have been allowed to lapse.....	<u>43,456</u>
	229,408
	<u><u>\$230,408</u></u>

FORT RELIANCE MINERALS LIMITED

J. A. HARQUAIL, President,
S. WISEBROT, Secretary.

STATEMENT OF DEFERRED PROSPECTING AND EXPLORATION EXPENSES FOR THE FIVE MONTHS ENDED MAY 31, 1961

	Cumulative to December 31, 1960	Incurred in 1961	Cumulative to May 31, 1961
Field engineer's salary.....	\$ 26,004	\$ 590	\$ 26,594
Travel expenses.....	17,875	—	17,875
Licences and fees.....	4,023	483	4,506
General expenses.....	17,564	200	17,764
Equipment.....	3,280	—	3,280
Drilling expenses.....	52,429	—	52,429
Line cutting.....	1,125	—	1,125
Value assigned by directors to 10,000 fully paid shares (20¢ per share) issued to acquire an associate's interest in mining claims staked jointly by the company and the associate.....	2,000	—	2,000
	<u>\$124,300</u>	<u>\$ 1,273</u>	<u>\$125,573</u>
DEDUCT:			
Nominal value placed on mining claims staked by the company.....	\$ 1		
Expenses attributable to claims which have been allowed to lapse.....	39,656		39,657
Balance deferred at May 31, 1961.....			<u><u>\$ 85,916</u></u>

FORT RELIANCE MINERALS LIMITED

STATEMENT OF DEFERRED ADMINISTRATIVE EXPENSES FOR THE FIVE MONTHS ENDED MAY 31, 1961

	Cumulative to December 31, 1960	Incurred in 1961	Cumulative to May 31, 1961
Legal fees	\$ 6,281	\$ 50	\$ 6,331
Accounting and auditing fees	3,564	250	3,814
Transfer agent and registrar's fees	1,089	143	1,232
Sundry general expenses	7,611	753	8,364
	<hr/>	<hr/>	<hr/>
	\$18,545	\$ 1,196	\$19,741

NOTES TO THE FINANCIAL STATEMENTS AS AT MAY 31, 1961

1. The following options to purchase shares in the company were outstanding at May 31, 1961:

	Number of shares	Price per share	Expiry date of option
Option to an employee (may be exercised only while in employment of company) . . .	150,000	20¢	June 30, 1963
Option to a director	150,000	20¢	June 30, 1963

2. The company has entered into an option agreement, which it may terminate at any time, to purchase a 90% vendor's interest in twelve mining claims in the Laird Mining District, in British Columbia for an aggregate consideration of \$10,000, of which \$2,000 has been paid, and the balance is payable in two equal instalments of \$4,000 each due on or before November 30, 1961 and November 30, 1962 respectively. Under the agreement, the 10% minority interest may, under certain conditions, be purchased by the company.

3. The company had a 100% interest in the following mining claims which were held under prospector's licences in British Columbia as at May 31, 1961:

14 claims on the Toad River in the Laird Mining District
 12 claims on Guichon Creek in the Nicola Mining District
 16 claims on Haskin Mountain in the Laird Mining District
 *24 claims on Omineca River in the Omineca Mining District
 9 claims near Little Fork in the Kamloops Mining District

*Company has a 90% interest in these claims with an option on one-half the remaining interest.

July 17, 1961.

**Auditors' Report to the Directors of
FORT RELIANCE MINERALS LIMITED:**

We have examined the balance sheet of FORT RELIANCE MINERALS LIMITED as at May 31, 1961. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

During our examination of the company's annual accounts as at December 31, 1960 we received confirmation from governmental authorities that the mining claims held under prospector's licences were in good standing. The claims held at May 31, 1961 are unchanged from those at December 31, 1960. We have received a certificate from the company's management to the effect that the claims at May 31, 1961 are still in good standing.

Subject to the foregoing comment we report that, in our opinion, the accompanying balance sheet presents fairly the financial position of the company as at May 31, 1961.

PRICE WATERHOUSE & Co.,
Chartered Accountants.

CANADIAN STOCK EXCHANGE

STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL

as of June 2, 1961

FREE STOCK	Shares	Shares
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees).		1,110,267
(b) Distributed and in hands of the promoters, officers and directors of the Company and their agents or trustees.	63,629	
Total free stock:		1,173,896

POOLED STOCK:

(c) Held in pool as per listing application	None
Total issued capital:	1,173,896

RECORD OF SHAREHOLDERS:

Number of registered shareholders holding shares in class (a)	171
Number of registered shareholders holding shares in class (b)	5
Number of registered shareholders holding shares in class (c)	None

The classification of the shareholders as at June 2, 1961 is as follows:

NUMBER	SHARES
119	Holders of 1 to 1,000 — 63,879
46	" " 1,001 " 10,000 — 155,251
4	" " 10,001 " 25,000 — 52,000
2	" " 25,001 " 50,000 — 65,600
5	" " 50,001 and over — 837,166
176	Stockholders 1,173,896

Fort Reliance Minerals Limited
3100 - 25 King Street West
Toronto 1, Canada

August 21, 1961

To the shareholders:

An evaluation of the Lamb Mountain molybdenite option has been completed by a consulting mining engineer retained by the Company.

He reports that the molybdenite mineralization is of the disseminated type and that surface diamond drilling, to determine average grade and tonnage, should be quite satisfactory. He has recommended that the Company undertake a program of surface diamond drilling to test this deposit. A summary of the surface sampling results accompanies this letter.

Your directors are now arranging the necessary financing for this drilling program, which will probably be underway within the next few weeks.

The Nahanni Sixty Syndicate, in which Fort Reliance has a 26.6 percent interest, is continuing its extensive prospecting program in the Northwest Territories. The Syndicate's exploration manager has reported that he is impressed with the mineral potential of the prospecting area.

The shares of the Company are now listed on the Canadian Stock Exchange. It is expected that this will facilitate the trading of shares. A copy of the listing statement is forwarded to you at this time as it contains a complete review of the properties of the Company.

J. A. Harquail
President

LAMB MOUNTAIN MOLYBDENITE PROSPECT

FORT RELIANCE MINERALS LIMITED

Significant Results of Channel Sampling
by S. Farquharson, Consulting Mining Engineer

July, 1961

	Horizontal Distance (feet) South of Trench No. 1	Approximate True Width Sampled (feet)	Percent MoS ₂
Trench No. 1	-	4.0 7.0	0.48 0.58
		<u>AVERAGE</u> 11.0	<u>0.54</u>
Trench No. 2	North Channel - 240	5.0 4.0 3.0	0.93 1.20 0.26
		<u>AVERAGE</u> 9.0	<u>1.05</u>
	South Channel - 245	4.0 3.0	1.44 0.32
		<u>AVERAGE</u> 7.0	<u>0.96</u>
Trench No. 3	340		No significant values
Trench No. 4	385	4.0	1.65

NOTES: 1. Trenches with molybdenite float located up to 700 feet south of Trench No. 1 (not sampled - no bedrock).

2. Trench with high grade molybdenite float located 800 feet north-west of Trench No. 1 (not sampled - no bedrock).

3. Maximum width of mineralized zone not sampled in Trench No. 2 (see report).

4. Assays by chemical analysis. Approximate value of one pound of MoS₂ is 84 cents.

